

What is claimed is:

1. An electronic exchange system for processing cash letter adjustments between a plurality of authorized financial institutions, including a sender institution, a receiver institution and a central exchange center, said system comprising:

means for entry of adjustment data into said system, said data including sender institution information, receiver institution information, adjustment amount information, and data validation information,

processor means for processing said adjustment data, said processing means including means for validation of said data, said processing means including sorting means for sorting said data by sender institution and receiver institution, and,

notification means for notifying said sender institution and said receiver institution of adjustment data after successful validation by said processing means.

2. The system of claim 1 wherein said processor means includes calculation means for determining net adjustments between said sender institution and said receiver institution.

3. The system of claim 2 wherein said notification means includes notifying said central exchange of said net adjustment, said central exchange including an account system for adjustment of accounts of said sender institution and said receiver institution by said net adjustment amount.

4. The system of claim 1 wherein said adjustment data includes one or more adjustment transactions selected from the group: enclosed items not listed, listed items not

enclosed, encoding errors, misread errors, documentation errors, and requests for information.

5        5.    The system of claim 4 wherein said data  
includes information selected from the group: the date of  
submission, sender routing number, sender institution name,  
and receiver institution name.

10       6.    The system of claim 1 wherein said validation  
information includes a series of business rules and  
information requirements utilized by said processor means.

15       7.    The system of claim 6 wherein said business  
rules include amount limits on adjustment for different  
member institutions.

20       8.    The system of claim 4 wherein said listed  
items not enclosed adjustment includes at least two or more  
of the following data: total amount of adjustment; cash  
letter creation date; cash letter type; cash letter total  
dollar value listed; missing item adjustment; missing bundle  
adjustment; tape listing type; tape total dollar.

25       9.    The system of claim 8 wherein said listed  
items not enclosed includes itemization of the dollar amount  
of the specific item or bundle; the dollar amount of the  
item before the subject item; the dollar amount after the  
subject item; and the sequence/trace number that was applied  
to the item in the cash letter preparation process.

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10.    The system of claim 9 wherein said data  
validation requires that the combined total of all "item  
before" and "item after" amounts entered cannot exceed the  
amount entered in the "bundle/tape" total field of the

transaction section.

11. The system of claim 4 wherein said adjustment data includes one or more adjustment transactions selected from the group: empty carrier; error in addition; 5 misdirected return; non-negotiable item; "not our item"; "photo in lieu of original"; "photo: original paid"; free item; and reversal.